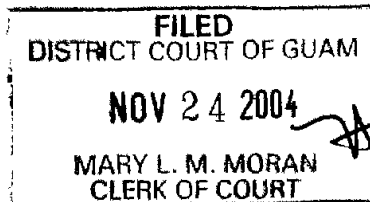


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Attorney for **Lourdes M. Perez and Artemio R. Ilagan**

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF GUAM**

JULIE BABAUTA SANTOS, et. al.,

Petitioners,

vs.

FELIX P. CAMACHO, etc., et. al.,

Respondents.

Civil Case No. 04-00006

**DECLARATION OF LOURDES M. PEREZ
IN SUPPORT OF HER OBJECTION TO (1)
PETITIONER'S MOTION FOR ORDERS
APPROVING THE ADMINISTRATION
PLAN AND AMENDED NOTICE; AND (2)
THE ATTORNEY GENERAL OF GUAM'S
MPA IN RESPONSE TO MOTION FOR
ORDERS APPROVING
ADMINISTRATION PLAN**

I, LOURDES M. PEREZ, declare that:

1. Declarant is the Director of the Department of Administration.

2. That as the Director of the Department of Administration, I am of the belief that the settlement and administration plan is impractical, illegal and will inevitably jeopardize the continual operation of the Government of Guam.

3. The settlement agreement in the administrative plan calls for the Government of Guam to pay the settlement with "unencumbered funds".

ORIGINAL

1
2 4. Due to the financial state of the government, there are no surplus funds or
3 non-appropriated funds in the government, much less that could be used for the payment
4 of this settlement agreement.

5 5. The Department of Administration in an effort to try to comply with the
6 settlement agreement in the administrative plans has been taking and setting aside
7 funding from "appropriated funds". This has been made possible by the monetary
8 advances from Section 30 funds which are to be prorated and used for the operations of
9 the Government of Guam for the year 2005. The use of these funds are taking away from
10 the duly designated appropriations and governmental recipients. This act of withholding
11 appropriated funds does have consequences. The results of the withholding of these
12 appropriated funds are starting to be seen and felt in the operations of the government
13 and will be seen more strongly felt as the fiscal year goes on.

14 6. The use in deduction of these appropriated funds will result in long reaching
15 affects to the Government of Guam. The government will eventually be without resources
16 to make payment for the use of the government utilities and vendors. Secondly, the
17 government will not be able to make cash allotments to the other Government of Guam
18 agencies duly appropriated, such as the Department of Education operations. This of
19 course, will lead to hardships in the operations of those departments. Third, the inevitable
20 result from the use of appropriated funds can lead to the Government of Guam's inability
21 to meet payroll which will result in the reduction of work hours, the inability to make payroll
22 and/or payless paydays.

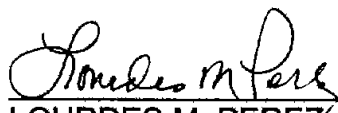
23 7. The Declarant states that the settlement agreement was entered without her
24 consent and without a fiscal impact analysis that was necessary to be conducted prior to
25 agreement of such a plan. This is evidenced in the September 20, 2004 from the Director

1 8. The Declarant is also concerned in regards to her current actions as it may
2 be deemed a criminal act in regards to spending or using appropriated funds for other
3 purposes than declared by the legislature in violation of 5 GCA Division 2, Chapter 22.
4 Further, the Declarant further believes it is improper and illegal for her to continue such
5 actions as it would violate the budget bill, Public Law 27-106 and 107.

6 9. Declarant as a party does not feel her concerns are addressed and her
7 rights are protected with her current attorney, the Attorney General of Guam. The
8 Attorney General's office has been slow or unresponsive to her inquiries and concerns.
9 Further, she along with the Governor disagrees with the Attorney General's opinion as to
10 the legality of payment of the settlement agreement would not constitute a criminal act
11 under 5 GCA Division 2, Chapter 22, Article 4.

12 I declare under penalty of perjury pursuant to the laws of the United States and of
13 the Territory of Guam that the foregoing declaration is true and correct.

14 Executed this 23 day of November, 2004, in Hagatna, Guam.

15 

16 LOURDES M. PEREZ
17 Director of Department of Administration
18 Government of Guam

18 SUBSCRIBED AND SWORN to before me this 23 day of November, 2004.

19 
20 NOTARY PUBLIC

21 LISA M. BROADWAY
22 NOTARY PUBLIC
23 In and for Guam, U.S.A.
24 My Commission Expires: Nov. 25, 2007
25 P.O. Box 4835 Hagatna, GU 96932

